

**BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA**

Order Instituting Rulemaking to Examine the
Commission's Future Energy Efficiency
Policies, Administration and Programs.

Rulemaking 01-08-028

**RESPONSE OF THE COUNTY OF LOS ANGELES
TO ASSIGNED COMMISSIONER RULING ON
GOVERNOR'S GREEN BUILDINGS EXECUTIVE ORDER**

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In accordance with the December 29, 2004 Ruling of Commissioner Kennedy,¹ the County of Los Angeles ("County") submits these comments to the California Public Utilities Commission ("Commission"). The County has for over ten years been pursuing energy efficiency and conservation improvements in its facilities. The County appreciates the opportunity to provide comments on how the Commission's current energy efficiency programs could further the goals of the Governor's Green Buildings Executive Order.

I. RESPONSE TO SPECIFIC QUESTIONS.

Q1. How much electricity and natural gas is currently used by government and private commercial buildings in your service territory?

The state's investor-owned utilities ("IOUs") are best equipped to answer this question. However, the Commission has requested that respondents include definitions of "government" and "private commercial" in their comments. The County suggests that "government" customers

¹ "Assigned Commissioner's Ruling Requesting Information In Response To The Governor's Executive Order S-20-04," December 29, 2004, R.01-08-028.

include state, county, and city government facilities and affiliated commissions, districts, special districts, offices, and bureaus.

This definition would be consistent with the Southern California Edison, Southern California Gas Company, and County (“SCE-SCG-County”) Partnership Program established under the CPUC’s 2003-2004 PGC Energy Efficiency Programs. Part of that program includes a study of the various energy management needs of local governments and public agencies in the southern California region (“Technology Transfer Study”). The primary goal of this effort is to determine how local governments and public agencies can better implement energy efficiency projects in their facilities. An additional goal is to determine how all local governments and public agencies in the region can be better energy managers.

Q2. What level of energy savings (kWh, MW and therm) was captured in 2004 from currently approved energy efficiency programs targeted towards building efficiency for government and private commercial buildings? What other customer types are currently eligible for existing building efficiency programs, and how much savings have been captured by these customers by participating in ratepayer-funded energy efficiency programs in 2004?

The IOUs are expected to provide much of this information. Again, there may be a role for local governments in supplying additional, specific information. A role for the County is described below.

The County has completed energy projects in a number of its facilities in 2004, as part of the current SCE-SCG-County program, and under the County’s Third-Party program established under the CPUC’s 2002-2003 PGC Energy Efficiency Programs. In many of these same facilities, other energy projects have also been completed in recent years under various, past IOU incentive programs.

The County is willing to provide a report indicating the project results (energy savings, project costs, and project scope) for all of its facilities (including projects completed in the City

of Los Angeles Department of Water and Power service territory) that date back to the mid 1990s. We feel this information will be useful in evaluating how commercial buildings can reduce consumption in two phases (10% by 2010 and 20% by 2015, see Question 3) as requested in the Governor's Executive Order. The County will complete this report as part of the SCE-SCG-County Partnership Program and make it available to the local governments and public agencies that participate, as well as to the Commission.

Q3. What level of savings is anticipated to be captured by these programs in 2005? In addition to presenting the expected kWh, MW and therm savings levels, present estimates of reduced per square footage electricity usage relative to 2004 usage, so that it can be compared directly to the Governor's goals of achieving a reduction of 10% per square foot by 2010 and 20% by 2015?

The County's report, described in Question 2, will be updated to include the results of energy savings for projects completed in 2005.

Q4. How are current programs supporting a campaign to inform building owners and operators about the compelling economic benefits of energy efficiency measures? Should a single, statewide campaign be initiated for this purpose? How might authorized funds for the 2004-2005 program year be redirected to support such an effort?

The SCE-SCG-County Partnership Program does not currently include an element to inform building owners of energy efficiency benefits. However, the current program's Technology Transfer Study includes a number of outreach activities to government officials and energy managers in an attempt to gather information about their energy management programs. The County believes similar outreach efforts to government and private sectors are also being conducted by other IOU/Government Partnership Programs. The relationships being established by these current partnerships should be utilized to inform building owners and operators about the economic benefits of various energy efficiency measures.

These existing, local IOU/Government partnerships should be utilized to inform and reach out to local building owners rather than initiating a single, statewide campaign. To the

extent that IOU/Government partnerships do not exist in significant areas of IOU territories, the IOUs should consider expanding existing partnerships or developing new ones.

Regarding redirection of authorized 2004-2005 program year funds, it may be possible that partnership program dollars could be shifted to this effort and away from other program goals. This would not require shifting funds from one CPUC program to another, but it would require shifting within individual programs. Individual partnership program goals would be changed.

Q5. How much money is currently allocated to supporting programs to inform building owners and operators about the compelling economic benefits of energy efficiency measures and to improve commercial building efficiency? Present a breakdown of this funding information by individual programs and IOU service territory.

The SCE-SCG-County program has not allocated any funding for this activity. Installing a program element to develop a strategy for implementing the Governor's goals could be accomplished with minimal budget increase.

Q6. Describe how these programs are currently coordinated and how such coordination could be improved upon in the future?

The County believes that IOU/Government partnership coordination could be improved in the future if some common, fundamental goals could be established for each. As an example, each partnership could support the Governor's objectives if they incorporated activities such as:

- Assessing government facility energy savings potential;
- Addressing local government hurdles to funding projects (e.g., appropriate incentives, financing restrictions, budget and accounting requirements);
- Informing commercial sector building owners through natural government outreach channels;

- Lobbying to influence new and renovated building standards and/or provide building owner incentives.

Coordination among IOU/Government partnerships could also be improved if there were better communication. The IOUs, as lead administrators, must take the lead in coordinating these programs to avoid redundant activities (e.g., surveys, workshops, outreach) within local government jurisdictions. The IOUs also should coordinate program activities that may be more effectively done through joint partnerships.

Q7. How might CPUC-funded energy programs be modified or enhanced to help achieve the reductions in per square footage electricity use for commercial buildings, as directed in the Green Buildings Executive Order?

The scope of all IOU/Government partnerships could be modified to incorporate objectives towards implementing the goals of the Governor's Executive Order. As the Executive Order contains long-term energy efficiency goals, these partnerships should also be supported and funded over longer terms to include outreach, project assessment, and project implementation where cost effectiveness criteria are met.

Q8. What funding reallocations could be undertaken during 2005 to further facilitate meeting this goal?

Similar to the County's answer to Question 4, current program funds (non-hardware implementation) could be redirected to implement viable energy projects where they are known to exist. These known projects may not have been initially funded because they did not support the individual program's cost-effectiveness goals. If the program's cost-effectiveness performance could be altered (within limits), this could be a way to support the Governor's objective.

II. ADDITIONAL INFORMATION.

The Ruling invites parties to “submit additional information that they believe is relevant for the Commission’s response to paragraph 4 of the Green Buildings Executive Order.”² The County proposes that the Commission should use different information channels to reach different players in the energy infrastructure. In particular, the Commission should reach out to public agency finance and administration decision makers, the people who control the budgets, about the bottom line benefits that energy efficiency can provide. These staff often do not have formal training in energy issues and are not familiar with the benefits that simple practices like life-cycle costing, as opposed to one-year payback, could provide them.

Similarly, in the course of conducting interviews with various County public agencies as part of the SCE-SCG-County partnership, several energy managers have emphasized that their customers are most receptive to information that comes from sources they know and trust, at forums they usually attend. For example, school district officials would be most likely to become engaged on energy efficiency issues if they hear a presentation at a professional organization meeting for schools from another school or school district that has successful experience, rather than from an energy service company or some other entity with an economic interest in seeing the school implement energy efficiency. The Commission should consider the need to drill down market sector by market sector to determine where decision makers gather information about new ideas (conferences, web sites, newsletters), what kind of information is most persuasive, and how this information is best packaged. There is no “one size fits all” way to deliver information, and the State needs to recognize this and begin to develop tailored energy education programs for different market sectors.

² Ruling, p. 3.

III. CONCLUSION.

The County believes the commercial building energy savings goals in the Governor's Executive Order are reasonable and achievable. This is based on the County's experiences implementing more than \$40 million in energy projects since the mid 1990s. Those projects have been completed in much of the 6,000 buildings and 60 million square feet utilized by the County in the services territories of SCE, SCG, and the City of Los Angeles. These projects now save the County about 100 million kwh annually and \$10 million annually.

The key to accomplishing these savings is for the IOUs to have reliable partners with resources that can supplement their own. Local governments can provide broad networking capabilities, credible community outreach, as well as internal resource infrastructures to identify, propose and develop these projects.

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Respectfully submitted,

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CERTIFICATE OF SERVICE

I hereby certify that I have served by electronic service a copy of the foregoing RESPONSE OF THE COUNTY OF LOS ANGELES TO ASSIGNED COMMISSIONER RULING ON GOVERNOR'S GREEN BUILDINGS EXECUTIVE ORDER on all known interested parties of record in Rulemaking 01-08-028 included on the service list appended to the original document filed with this Commission. Service by first class U.S. mail has also been provided to those who have not provided an e-mail address.

Dated at Los Angeles, California, this 4th day of February, 2005.

Karen Snyder